

AGENDA MANAGEMENT SHEET

Name of Committee Resources Performance and Development
Overview & Scrutiny Committee

Date of Committee 9th January 2007

Report Title Employee absence management

Summary This report is the latest in a series of quarterly reports which describes the latest performance information on employee absence levels.

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Would the recommended decision be contrary to the Budget and Policy Framework? No

Background papers None

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members Councillor Hicks
 Councillor Booth
 Councillor Atkinson
- Cabinet Member Councillor Fowler
- Chief Executive
- Legal
- Finance
- Strategic Directors David Carter
- District Councils
- Health Authority

Police

Other Bodies/Individuals

FINAL DECISION

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by this Committee Recommendation that this Committee continues to receive half yearly progress reports

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

EXECUTIVE SUMMARY

- 1.1. The following report provides information on absence levels for year ending September 2006. It forms part of a regular quarterly update on this key issue for this Committee.
- 1.2 The report indicates that absence levels for the above period have reduced to 9.35 days per employee in comparison with the National Local Government average of 11.5 days. 40% of employees had no sickness in that period.
- 1.3 The improvement is felt to be the result of an increased focus on absence management within Directorates and the continued roll out of a new absence management procedure. It is also felt to be the result of more accurate recording procedures (the full effect of which will not be realised until the end of the financial year)
- 1.4 Complimentary to the above has been the continued development of positive health initiatives as part of the Council's Healthy Workforce Strategy.
- 1.5 The focus on absence management needs to be continued if reductions in absence levels are to be sustained.

Agenda No

Resources Performance and Development Overview & Scrutiny Committee

9th January 2007

Employee Absence Management

Report of the Strategic Director of Performance & Development

Recommendation

That the Committee notes the latest available performance information on absence levels and continued progress in relation to absence management.

1. Background

- 1.1 This report provides information on absence figures for year ending September 2006 and a general update on absence management across the Council. It forms part of a regularly quarterly update for Members on this key issue.

2. Comparative Absence Figures

- 2.1 A summary of comparative absence figures over the last three years is as set out below: -

Year Ending	2003/4	2004/5	2005/6	Sept 06
Days Lost per Employee*	12.47	10.12	10.57	9.35

* based on full time equivalent

- 2.2 The following specific issues are brought to the attention of Members: -
- On the basis of the above information sickness absence levels have improved by 1.22 days per employee since the last reporting period.
 - The recent improvement in absence rates is encouraging and is felt to be the result of a more robust approach to sickness management within Directorates and efforts to improve the accuracy of absence recording.

- Current absence levels remain lower than the latest national local government figures (11.5 days of absence per employee) but higher than the CBI National average for public sector employers (9.1 days). Details of comparative absence levels are set out below: -

Organisation	Days Lost per employee
Warwickshire County Council	9.4
National LG Average	11.5
County Average	10.8
Shire Districts	9.6
CBI Average	9.1

- Over the last financial year approximately 40% of employees had no sickness absence. Managers will be asked to recognise this as a positive issue in end of year appraisal discussions.
- Long-term sickness (i.e. absence of more than 4 weeks duration) continues to account for approximately half of all working days lost through sickness (and as taken by approximately 12% of employees).

2.3 An analysis of absence by service area is attached at Appendix A. The figures now reflect the six new Directorates rather than the nine former departments.

3. Costs of absence

3.1 Clearly there are financial costs associated with high absence levels and particularly where direct cover arrangements need to be put in place. In “like for like” salary terms the current cost of managing 9.35 days absence per employee is about £5.8 million per annum. Only a third of the absence does, however, result in a direct cost by way of necessitating agency cover.

3.2 Members will be aware of the dangers in relying on financial savings in this area and particularly given that it is unrealistic to achieve 100% attendance.

3.3 On the basis of the above, however, it is possible to suggest that a targeted reduction in absence levels of 1 day per employee would, over a year, equate to an approximate saving of £200,000.

4. Improving Absence Management

4.1 As indicated in the last report, an increased focus has been placed on absence management over the last year. Over the medium to long term it is expected that the measures will result in a sustainable reduction in absence levels.

4.2 Central to the above has been the introduction of the new absence procedure across all Directorates and a significant training programme for managers. A full review of the policy will be undertaken at the end of the financial year and will be reported to this Committee in June 2007.

- 4.3 Members will also be aware of improvements in the recording of absence data through the HRMS system and specifically the increased capacity now to record absence based on individual work patterns. This means that the absence of part time/part week employees will have been more accurately recorded from 1st April 2006. The full effect of this will, however only be evident at the end of the financial year 2006/7 (which will be reported in June 2007).
- 4.4 As part of the “balanced” approach to absence management a number of positive health initiatives have continued to be promoted. This has included well being programmes to respond to issues around stress management, an extended programme of health checks for employees and support for those who wish to stop smoking. At the end of November 2006 some 1000 employees had received a health check.
- 4.5 The benefits of the health check programme will take some time to be realised in relation to lower absence rates. The results of the programme are, however being used to both to refine the Council’s healthy workforce programme and to support the approach to the management of sickness.

5. Conclusion

- 5.1 The focus on absence management has been encouraging over the last six months. However, there is no room for complacency. The focus needs to be maintained across all Directorates of the Council, and at all management levels if sustainable reductions in absence levels are to be achieved.
- 5.2 A further report will be submitted to this Committee in April 2007.

David Carter
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Strategic Director of Performance
and Development

September 2006

Absence levels (average numbers of days absence per employee) for the last three reporting periods.

Department *	Directorate*	2003/4	2004/5	2005/6	Sept 06 **
CAMS		6.9	6.7	6.8	
Treasurers	Resources	10.0	9.8	6.1	6.9
Property Services		5.8	4.6	7.4	
Education (inc. school emps)	Children YP&F	9.0	7.9	8.2	8.2
Chief Executives	Performance & Development	6.9	8.9	6.6	5.3
Fire and Rescue	Community Protection	8.2	8.0	9.8 #	9.0
LHTS		11.3	11.1	8.4	
	Adult Health & C. Services				18.7***
Social Services		32.0	20.8	23.5	
PTES	Environment & Economy	11.1	8.4	6.5	5.4
TOTAL		12.47	10.12	10.57	9.35

(*) The former nine departments have been identified for general guidance, but do not give a strictly “like for like” comparison of absence data between employees in the “old” and “new” service areas.

(**) These figures include absence data for “year ending” September 2006

(***) It is expected that this figure will reduce as part of the development of the HRMS system over the next 12 months (and the related improvements to the recording of absence figures). Following a manual “scaling” exercise within the directorate a revised estimate was issued as 14.1

(#) Amended figure (relating to figures provided to DCLG)